

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 95-1078-E - ORDER NO. 2003-727  
DECEMBER 31, 2003

IN RE: Application of Carolina Power & Light                    )  
Company d/b/a Progress Energy Carolinas,                    )  
Inc. for Approval of Proposed Economic                    )  
Development Rider ED-8.    )

ORDER EXTENDING  
AVAILABILITY OF  
RIDER ED-8 103

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the request of Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. (“PEC”) to extend the availability of its Economic Development Rider ED until December 31, 2006.

According to PEC’s request, the Economic Development Rider ED was initially approved by Commission Order No. 95-1375. The availability of this program was extended by the Commission in 1997 and 2000. PEC offers Rider ED to encourage economic growth and development within South Carolina, and PEC asserts that Rider ED has been instrumental in encouraging industrial expansions and job growth. Further, PEC states that continued availability of Rider ED is consistent with state economic development policy, enhances capacity utilization, and expedites high load factor growth within PEC’s service area. Rider ED also fosters an expended tax base within the PEC service area.

The only change being requested by PEC is the availability of Rider ED. Presently, Rider ED states that it will not be available to new customers after December 31, 2003. PEC, by its request, seeks to extend the availability until December 31, 2006. PEC also notes that Rider ED has not materially changed since its introduction.

Upon consideration of the matter, the Commission makes the following findings of fact and conclusions of law:

#### FINDINGS OF FACT

1. PEC offers Economic Development Rider ED to encourage economic growth and development within South Carolina.
2. PEC's Economic Development Rider ED presently states that it will not be available to new customers after December 31, 2003.
3. PEC seeks to extend the availability of Economic Development Rider ED until December 31, 2006.
4. PEC's Economic Development Rider ED has been instrumental in encouraging industrial expansions and job growth within PEC's service area in South Carolina.
5. Continued availability of PEC's Economic Development Rider ED is in the public interest because Economic Development Rider ED is consistent with state economic development policy, enhances capacity utilization, expedites high load factor growth within PEC's service area, and fosters an expanded tax base within PEC's service area.

### CONCLUSIONS OF LAW

1. S.C. Code Ann. Section 58-27-870(F) permits the Commission to “allow rates or tariffs to be put into effect without notice and hearing upon order of the Commission when such rates or tariffs do not require a determination of the entire rate structure and overall rate of return, or when the rates or tariffs do not result in any rate increase to the electrical utility, or when the rates and tariffs are for experimental purposes ...”

2. The Commission concludes that PEC’s Economic Development Rider ED is an experimental program that is limited only to a small number of customers meeting certain specific and defined criteria.

3. The Commission concludes that continuing the availability of PEC’s Economic Development Rider ED will not require a determination of PEC’s entire rate structure and overall rate of return.

4. The Commission concludes that continuing the availability of PEC’s Economic Development Rider ED should not result in any rate increase to PEC.

5. The Commission concludes that PEC’s Economic Development Rider ED may provide benefits to the State of South Carolina by encouraging economic growth and development within PEC’s service area in South Carolina and that such benefits may include industrial expansions and job growth within PEC’s service area in South Carolina, enhancement of capacity utilization, expediting high load factor growth within PEC’s service area, and fostering an expanded tax base within PEC’s service area.

6. In approving the availability of PEC's Economic Development Rider ED, the Commission concludes that PEC shall track any resulting revenue shortfall, or foregone revenues, incurred in offering this experimental program. Tracking of information, such as revenue shortfalls or foregone revenues, will assist both PEC and the Commission in properly evaluating this program. The Commission will consider any revenue shortfalls or foregone revenues, and the appropriate ratemaking treatment to be accorded to such, in future rate proceedings or rate reviews as determined by this Commission.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. PEC's request to extend the availability of its Economic Development Rider ED is granted, and the availability of PEC's Economic Development Rider ED is hereby extended until December 31, 2006.

2. PEC shall track any resulting revenue shortfall, or foregone revenues, incurred in offering this experimental program.

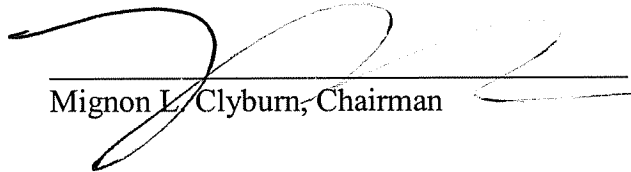
3. The Commission will consider any revenue shortfalls or foregone revenues, and the appropriate ratemaking treatment to be accorded to such, in future rate proceedings or rate reviews as determined by this Commission.

4. PEC shall file with this Commission ten (10) copies of the Economic Development Rider ED within ten (10) days after receipt of this Order.


5. This Order shall be effective upon the date of issuance.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Mignon L. Clyburn, Chairman

ATTEST:

  
Bruce F. Duke, Deputy Executive Director

(SEAL)